North Dakota

FARM REPORTER

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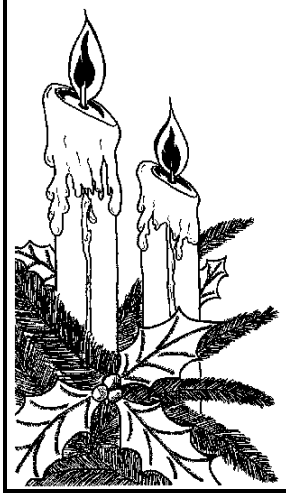
IN THIS ISSUE

Season's Greetings

The staff at the National Agricultural Statistics Service, North Dakota Field Office wants to thank all of the farmers, ranchers, agri-businesses and county agents who have taken time to supply the information needed for our many surveys in 2011. You help make agriculture count in North Dakota.

We wish everyone a Merry Christmas and best wishes for the New Year.

Darin Jantzi
Director



DRY EDIBLE BEAN PRODUCTION

North Dakota
Dry edible bean production in North Dakota is forecast at 4.88 million hundredweight (cwt) for 2011, down 15 percent from the October 1 forecast and 58 percent from last year. This total represents the lowest production for North Dakota since 1971, and is a steep drop from 2010's record high. The decrease in production from last year is due to both significantly decreased acreage and lower yields.

Total planted area, at 410,000 acres, remains the same as October but is down from 2010's 800,000 acres. Harvested area, at 375,000, was increased from October but is still considerably below last year's 770,000 acres harvested. Planted and harvested acres are the lowest since 1988, and are down 49 and 51 percent, respectively, from 2010's record high in both categories. The statewide average yield for 2011 is set at 1,300 pounds per harvested acre, down 250 pounds from the October forecast and 190 pounds lower than last year. This yield is the lowest since 2006.

Pintos account for 55.0 percent of the total production; at 2.68 million cwt, they are down from 7.53 million cwt in 2010. Navies account for 23.4 percent of total production, blacks 15.9, chickpeas 0.9, pinks 3.3, and great northern 0.2. All other dry edible bean classes represent 1.2 percent of the state's total production.

United States
Dry edible bean production is forecast at 19.7 million cwt for 2011, down 38 percent from 2010. Planted area is estimated at 1.21 million acres, down 37 percent from last year. Harvested area is forecast at 1.15 million acres, 38 percent below the previous year. The average United States yield is forecast at 1,719 pounds per acre, a decrease of 7 pounds from 2010.

Dry Edible Beans Area Planted, Harvested, Yield and Production
North Dakota and United States: 2010-2011

Class	Area planted		Area harvested		Yield per acre		Production	
	2010	2011	2010	2011	2010	2011	2010	2011
	(1,000 acres)	(1,000 acres)	(1,000 acres)	(1,000 acres)	(pounds)	(pounds)	(1,000 cwt)	(1,000 cwt)
North Dakota:								
Navy	132.0	94.0	128.0	84.0	1,530	1,360	1,958	1,142
Great Northern	5.6	1.8	5.3	1.7	1,530	700	81	12
Pinto	530.0	225.0	509.0	208.0	1,480	1,290	7,534	2,683
Dark Red Kidney	0.9	1.5	0.8	1.4	1,880	1,300	15	18
Pink	12.5	10.0	11.9	9.5	1,330	1,670	158	159
Small Red	1.2	2.5	1.1	2.4	1,550	1,250	17	30
Black	101.0	69.0	98.0	62.0	1,480	1,250	1,450	775
Chickpeas, All (Garbanzo)	16.0	4.7	15.2	4.5	1,640	980	250	44
Small	2.0	3.0	1.9	2.9	1,740	1,000	33	29
Large	14.0	1.7	13.3	1.6	1,630	950	217	15
Other	0.8	1.5	0.7	1.5	1,430	800	10	12
Total	800.0	410.0	770.0	375.0	1,490	1,300	11,473	4,875
United States:								
Navy	279.5	203.7	271.7	190.0	1,754	1,708	4,766	3,245
Great Northern	78.5	62.0	69.9	60.9	2,007	1,974	1,403	1,202
Pinto	842.7	386.1	809.7	362.2	1,706	1,632	13,814	5,911
Dark Red Kidney	48.5	48.9	45.7	47.8	1,823	1,632	833	780
Pink	33.0	21.1	32.2	20.5	1,820	1,990	586	408
Small Red	22.9	35.5	22.8	34.8	2,096	2,121	478	738
Black	284.0	183.9	278.3	174.8	1,675	1,713	4,661	2,994
Chickpeas, All (Garbanzo)	146.0	127.1	144.1	125.6	1,346	1,617	1,939	2,031
Small	25.1	36.4	24.5	36.0	1,408	1,608	345	579
Large	120.9	90.7	119.6	89.6	1,333	1,621	1,594	1,452
Other	176.3	136.8	168.3	130.9	1,973	1,849	3,321	2,420
Total	1,911.4	1,205.1	1,842.7	1,147.5	1,726	1,719	31,801	19,729

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THE NAFTA COUNTRIES BUILD ON FREE TRADE

Free trade is deeply rooted within North America's agricultural economy. Canada, Mexico, and the United States gradually removed thousands of barriers to regional agricultural trade from 1994 to 2008 as part of the North American Free Trade Agreement (NAFTA). From 1989 to 1993, Canada and the United States pursued agricultural trade liberalization through the Canada-U.S. Free Trade Agreement (CUSTA), which was then folded into NAFTA. Mexico also implemented a number of unilateral agricultural trade reforms in the early 1990s. When these initiatives are considered together, the NAFTA countries have completed a remarkable two decades of agricultural trade liberalization.

Regional agricultural trade has generally flourished since NAFTA's implementation, and the agricultural economies of the three NAFTA countries have become far more integrated. Between 1993 and 2010, annual U.S. agricultural exports to Canada rose from $5.3 billion to $16.9 billion, while corresponding exports to Mexico increased from $3.6 billion to $14.6 billion. Meanwhile, annual U.S. agricultural imports from Canada expanded from $4.7 billion to $16.2 billion, and agricultural imports from Mexico rose from $2.7 billion to $13.6 billion. For fiscal year 2012 (October 1, 2011, to September 30, 2012), U.S. agricultural exports to Canada and Mexico are forecast to reach $19.0 billion and $17.0 billion, respectively, and corresponding imports from Canada and Mexico are forecast to equal $19.8 billion and $17.6 billion, respectively. Of course, only a portion of these increases can be attributed to NAFTA, as other factors such as population growth, macroeconomic performance, and technological change have also affected regional agricultural trade.

What's next for the NAFTA countries now that the free-trade area is firmly established? Changes in the world's demographics and economics are likely to increase the relative importance of markets outside the NAFTA region. For instance, China recently surpassed Canada and Mexico to become the largest customer for U.S. agricultural exports. At the same time, opportunities for trade and investment are expanding within North America. To help consumers and producers capitalize on these prospects, the NAFTA governments are seeking more open trading relationships with non-NAFTA countries, as well as increased commerce within the North American free-trade area.

Where Are North America's New Agricultural Markets?

According to the U.S. Census Bureau, the world's population is projected to grow from 7.0 billion to 8.4 billion during 2012-32, with 93 percent of the increase occurring in non-NAFTA countries. Two continents account for 87 percent of the projected increase: Asia, due to its large current population, and Africa, with projected rapid population growth. In addition, real (inflation-adjusted) per capita income growth in several Asian countries is expected to average more than 5 percent per annum over the next 20 years, well above the average annual rates projected for the United States (1.77 percent), Canada (1.65 percent), and Mexico (2.08 percent).

Census projections also indicate that the NAFTA region will be a growing market. This growth will mainly be driven by the U.S., which, among the NAFTA countries, is expected to have the largest increase in population over the next decades. Between 2012 and 2032, the region's population is projected to increase by 64 million in the U.S., 22 million in Mexico, and 5 million in Canada. This anticipated growth will heighten the attractiveness of the U.S. market, not only to Canadian and Mexican producers, who enjoy duty-free access because of NAFTA, but also to U.S. producers.

The rates of population growth in each NAFTA country, however, are projected to slow over the next 20 years. For Canada, this deceleration will be particularly sharp, from 0.78 percent growth annually in 2012 to 0.44 percent 20 years later. Among the world's major agricultural exporters, Canada and the European Union are among the few that anticipate little increase in domestic demand in the coming two decades.

The median age of the population in each NAFTA country will also increase over the next two decades, particularly in Mexico. A 2007 ERS study of U.S. household food expenditures suggests that the aging of the population is likely to lower per capita spending on food and shift demand toward fruit and vegetables and away from eating at restaurants and other foodservice establishments.

In Mexico, however, the aging of the population will initially coincide with a reduced number of dependents (defined as children plus persons over age 65) per working-age adult, a development that could help to boost household incomes and food demand. In a 2005 study, *Building Human Capital in an Aging Mexico*, Richard Jackson emphasizes that the number of dependents in Mexico is projected to decline from roughly 80 per 100 working-age adults in 2005 to 65 in 2030 and then start to increase as the Mexican population ages.

According to the same study, Mexico's brief demographic dividend of fewer dependents per working-age adult may diminish pressures on social service budgets, facilitate higher savings rates and larger investments in education, foster a shift toward more capital-intensive economic activities, and decrease international migration—all factors that could lead to higher rates of economic growth. This, in turn, could increase levels of food spending per capita, which tends to rise with household income.

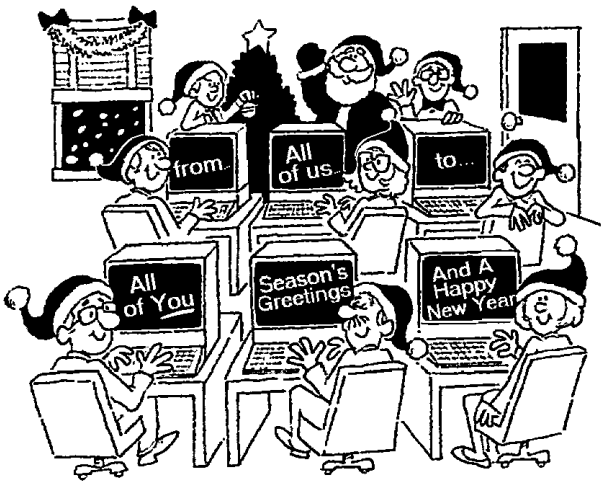
For a complete copy of this article go to:
http://www.ers.usda.gov/AmberWaves/December11/Features/NAFTACountries.htm

Source: *Amber Waves,* USDA-ERS, December 2011

POTATO PRODUCTION AND STOCKS

North Dakota
Potato production in North Dakota is estimated at 18.5 million hundredweight (cwt) for 2011, up 2 percent from last month, but down 16 percent from last year. Total planted area is 84,000 acres, the same as last year. Harvested area, at 77,000 acres, is the same as last month but down 4 percent from last year. The average yield is expected to be 240 cwt per harvested acre, down from 2010.

United States
Production of fall potatoes for 2011 is forecast at 387 million cwt, up 6 percent from last year. Area harvested, at 939,200 acres, is slightly above the November 1 forecast and 7 percent above the 2010 estimate. The average yield forecast, at 412 cwt per acre, is down 4 cwt per acre from last year's yield.



Fall Potato Area Planted and Harvested, Yield, Production and Stocks
13 Fall States and United States: December 1, 2010-2011

State	Area planted		Area harvested		Yield		Production		Total stocks	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
	(1,000 acres)	(1,000 acres)	(1,000 acres)	(1,000 acres)	(cwt)	(cwt)	(1,000 cwt)	(1,000 cwt)	(1,000 cwt)	(1,000 cwt)
North Dakota ..	84.0	84.0	80.0	77.0	275	240	22,000	18,480	14,000	12,600
California	6.5	8.6	6.5	8.6	435	480	2,828	4,128	1,900	2,500
Colorado	55.5	54.0	55.2	53.9	390	395	21,528	21,291	15,500	15,400
Idaho	295.0	320.0	294.0	319.0	384	398	112,970	127,070	81,000	88,000
Maine	55.0	57.0	54.8	54.5	290	260	15,892	14,170	12,300	10,600
Michigan	44.0	45.0	43.5	44.0	360	355	15,660	15,620	9,300	8,900
Minnesota	45.0	49.0	42.0	46.0	405	345	17,010	15,870	10,500	10,000
Montana	11.5	11.7	11.3	11.4	325	340	3,673	3,876	3,600	3,800
Nebraska	19.0	20.0	18.6	19.5	415	400	7,719	7,800	4,900	4,600
New York	16.2	16.5	16.0	16.2	320	250	5,120	4,050	2,500	2,100
Oregon	35.5	40.0	35.5	39.9	565	585	20,058	23,342	16,400	17,900
Washington	135.0	160.0	134.0	160.0	660	615	88,440	98,400	52,200	57,500
Wisconsin	62.5	63.0	61.5	62.5	395	395	24,293	24,688	16,100	16,000
13 State Total ..	(X)	(X)	(X)	(X)	(X)	(X)	357,191	378,785	240,200	249,900
United States ...	1,025.7	1,095.6	1,008.0	1,073.9	401	397	404,273	426,421	(X)	(X)

(X) Not applicable.

Fall Potato Stocks by Type as Percent of Total Stocks
10 Selected States: December 1, 2010-2011

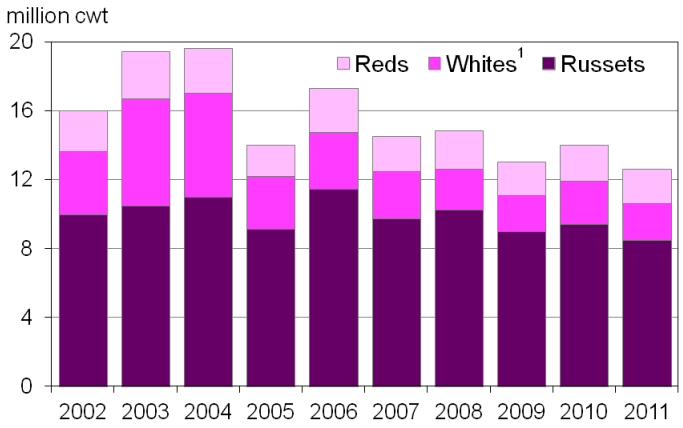
State	Potato types									
	Reds		Round Whites		Long Whites		Yellows		Russets	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)	(percent)
North Dakota.....	15	16	10	11	7	5	1	1	67	67
Colorado	2	1	3	4	-	-	10	8	85	87
Idaho.....	2	3	1	2	1	1	1	1	95	93
Maine	4	3	40	39	-	1	2	2	54	55
Michigan.....	1	1	90	88	-	-	-	-	9	11
Minnesota	9	10	2	4	-	-	1	1	88	85
New York	7	5	90	93	-	-	3	2	-	-
Oregon.....	1	2	7	5	-	-	2	2	90	91
Washington	3	3	4	4	5	5	1	1	87	87
Wisconsin.....	4	5	25	25	-	-	1	1	70	69
10 State Average	3	4	11	10	2	2	2	2	82	82

POTATO PRODUCTION AND STOCKS (Continued)

North Dakota
Growers, dealers and processors held 12.6 million hundredweight (cwt) of potatoes in storage December 1, 2011, down 10 percent from a year ago, but down 3 percent from 2009. Current stocks represent 68 percent of the production, up from 64 percent in 2010 and the same as in 2009. Total stocks are defined as all potatoes on hand, regardless of use, including those that will be lost through future shrinkage and dumping. Stocks by type were 16 percent reds, 11 percent round whites, 5 percent long whites, 1 percent yellows, and 67 percent russets.

United States
The 13 major potato States held 250 million cwt of potatoes in storage December 1, 2011, up 4 percent from a year ago. Potatoes in storage accounted for 66 percent of the 2011 fall storage States' production, one percentage point below December 1, 2010. Stocks by type were 4 percent reds, 12 percent all whites, 2 percent yellows, and 82 percent russets.

Fall Potato Stocks by Type
North Dakota: December 1



[1] Includes yellow potatoes.

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